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PERSONNEL MATTERS

Statement of the staff of UNIDO

Submitted by the President of the sixth Staff Council
through the Director-General

Introduction

1. In accordance with the decision of the Industrial Development Board at its first session (November 1985), the Staff Council of UNIDO is submitting a statement expressing the views of the staff of UNIDO under agenda item 10: Personnel matters.

2. Last year, the staff's statement to the Board concentrated on the independence of the international civil service, and the staff was gratified that Member States attending the seventh session of the Board took the time to discuss the various problems raised in the staff statement. The shared concern of Member States gave rise to a Board decision which called upon the Director-General, "in collaboration with the Staff Council and with the full cooperation of all Member States, to maintain the independence of the staff of UNIDO in accordance with Article 11.4 of the Constitution." In the event, such collaboration has been eclipsed by the computerization saga, the financial crisis in which the Organization once again (or rather still) finds itself, as well as the ongoing restructuring exercise. The staff, however, remains committed to the ideal of an impartial, independent organization whose employees can devote themselves to fulfilling the important mandates accorded to UNIDO, instead of having to elbow their way through a political morass.

3. On the common system level, staff members in UNIDO, like their colleagues in other duty stations, continue to be anxious about their pensions. It would be no exaggeration to say that the situation has reached alarming proportions, and that if it is not resolved, the result may be a system-wide work stoppage. The declining value of Professional salaries led staff throughout the system to believe that the Comprehensive Review of Conditions of Service of the Professional and Higher Categories would lead to significant improvements. Hopes were dashed when the review failed to come up with more than a token increase (approximately 4.5 per cent) in take-home pay. The threat of a freeze in Professional salaries later this year may prove to be the straw which breaks the camel's back. After years of patience, resignation and disappointment, the international civil service has come to the end of its tether.

4. The present statement of the staff addresses these and other concerns which the staff would like to bring to the attention of the Industrial Development Board for consideration and eventual action.

Professional salaries

5. In contrast to white- and blue-collar workers the world over, Professional staff of the United Nations system are not expected to grumble about the level of their salaries. It would appear that the mere fact of being an international civil servant should elevate staff to some idealistic plane where any discussion of salary levels is at best poor taste, and at worst an indication of reduced motivation and dedication. For many years, staff in Vienna as in other duty stations have watched the purchasing power of their salaries dwindle, while the cost of rents, schooling, consumer goods and services continued to rise. The average rental cost for newcomers in Vienna rose by 62 per cent from 1985 to 1990 and the school fees at the Vienna International School during the same period rose by 107 per cent. True, staff representatives allowed themselves the occasional grouch on behalf of their constituents, but in the main, there has been little resistance from staff to what would be viewed by even the most conservative trade union as exploitation on the part of the employer.

6. The average age of recruitment of a Professional in the UN system is around 43, with some variation from organization to organization. At that stage in life, most newly appointed staff members have school-age children, with the prospect of college education looming on the horizon. In private industry, staff who are assigned abroad for a number of years receive very generous incentives, which often include, in addition to a high salary, full reimbursement for children's educational expenses, health benefits, free accommodation or accommodation allowance. For the international civil servant the picture is gloomy: not only is there no guarantee of employment beyond the expiration of the initial contract, but there is little compensation for the absence of job security. While prospective candidates do have the possibility of weighing up the pros and cons before accepting employment in the UN system, staff caught in the trap have no

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option but to resign themselves to their lot. The threat - real or imagined - that one's contract will not be extended, has, in the past, been sufficient to quell any protests about inadequate salaries in those staff who hold fixed-term contracts. Recently, however, the situation of Professional salaries has become so gloomy that staff throughout the system, through their representative bodies, have signalled their readiness to protest unless remedial measures are undertaken.

7. Member States are well aware of the recruitment problems facing organizations such as UNIDO: indeed, certain Member States including some of the major contributors, are obliged to supplement the salaries of their nationals in order to entice them to take up posts in the UN system. The International Civil Service Commission (ICSC), which advises the General Assembly on conditions of service of the staff, including salary scales, is loath to offend its master. Consequently, its "technical" review of salaries is no more than a justification of a position already taken by Member States who would have to foot the bill in the unlikely event that the ICSC recommended a genuine rectification in the level of Professional salaries. In order for salaries in Vienna to return to their 1984 levels and taking into account inflation in Austria, there would have to be a 25 per cent increase in Professional salaries. But not only have salaries failed to keep pace with, or even tag along behind, cost of living increases in Austria, for many they have declined in real terms. Even with step increases, which are intended to reward good performance, and not compensate for inflation, many staff members are receiving today the same salaries they received in 1984. For example, a P-3 step 14 was earning only A$ 1170,- or 2 per cent more in January 1991 than he earned seven years earlier, in December 1983, despite the fact that during the period he had been granted 3 step increments and a 4.5 per cent salary increase in July 1990!

8. UNIDO is soon to undergo a major restructuring, which will call for a supreme effort on the part of each and every staff member, if it is to be accomplished smoothly and efficiently. There will be a need for adjustments to new tasks, learning of new skills, flexibility in adapting to new situations. Since the contributions of the staff in terms of time, effort and dedication will be strained to the utmost, it would not be presumptuous for staff to expect fair compensation for those efforts. It is within the mandate of the Industrial Development Board to suggest measures to remedy the situation. While it is true that as part of the common system, UNIDO cannot establish its own salary scales for Professionals, there are other ad hoc measures which could be taken. These could include the granting, on an exceptional basis, of two or more steps to each Professional staff member, a one-time bonus, or compensation for the longer working week worked in Vienna than in New York, which nevertheless serves as the comparison for the establishment of Professional salaries. As a result of a work stoppage in the International Telecommunications Union, the Governing Body agreed to the granting of a special post allowance for each Professional to the next level, as an interim measure, and to compensate for the increased workload foreseen during the forthcoming restructuring of the Organization. The staff of UNIDO would urge the Industrial Development Board to give serious consideration to the introduction of similar remedial measures in UNIDO and present its suggestions to the General Conference.

Vienna GS/MW Salary Survey

9. The General Service and Manual Worker salary survey is currently in progress, and the results of the survey will be discussed in the International Civil Service Commission in August. While the survey has in general proceeded smoothly, staff representatives are dismayed that certain proposals were put to the ICSC Secretariat behind closed doors. One proposal in particular - the creation of a 7-grade scale beginning with a G-1 grade - is an attempt on the part of the Administrations to circumvent the proper channels of staff/management negotiation. In UNIDO the G-1 grade is non-classified and non-existent while G-8 is both classified and used. Should the ICSC agree to this proposal, it is not only the staff who will suffer. The Administration will have abdicated further rights to the Commission.

Pensions

10. Unlike most pension schemes, the United Nations Joint Staff Pension Fund (UNJSPF) provides little or no security to participants retiring outside the dollar area. Significant swings in exchange rates coupled with periodic (and generally negative) revisions to the Fund's arrangement for pensions, have given rise to a growing scepticism among staff that their monthly contributions to the Pension Fund will ever secure for them adequate pensions.

11. For staff in the Professional category, the introduction of the interim currency floor protection in 1988 put an end to the gross discrepancies in the value of pensions for staff retiring at the same grade, with the same number of years' service, but on slightly different dates. Pensions are not a tombola, where a lucky participant may draw a favourable retirement benefit, while the next pulls a consolation prize. One of the principal requisites of a pension is that it provide an assured source of income after retirement, a stage in life in which careful planning is essential. It is quite unacceptable that participants in the UNJSPF should be deprived of this expectation.

12. At the forthcoming session of the Pension Board, measures will be discussed which will have an overwhelming impact both on the staff of the UN system organizations, and the organizations themselves. First, if no satisfactory alternative is found to the transitional measures which expire at the end of March 1992, there is likely to be a sudden exodus of staff throughout the system, who opt for early retirement rather than face a steep drop in their pensions. Depending on their retirement plans, more than 50 Professional staff in UNIDO could be affected. Many of these will be staff at the senior level, and with them will go a wealth of experience, expertise and leadership skills. The vacuum they leave behind cannot fail to cause serious damage to UNIDO. Secondly, the United Nations family will appear even less attractive to prospective candidates and will fail to acquire the high-level expertise necessary for the execution of its mandate. Thirdly, the demoralizing effect on staff on board of an inadequate solution should not be underestimated. The Pension Board will be looking at four options

to replace the current transitional measures. In the name of fairness, equity and in the interests of the specialized agencies, it is imperative that the so-called Option D be presented by the Board to the General Assembly at its forty-sixth session later this year. There is unanimity among the members of the Federation of International Civil Servants' Associations (FICSA) that staff representatives will support Option D to the exclusion of all others. The staff would like to believe that they have the support of their Governing Body for their legitimate right to the same treatment as their colleagues in UN Headquarters.

13. While some organizations have sat by and hoped for the best, other organizations such as the International Labour Organisation (ILO), the Food and Agricultural Organization of the United Nations (FAO) and the International Telecommunications Union (ITU) have decided to take matters into their own hands. At its recent session in June 1991, the ITU Administrative Council "resolved to adopt on an interim basis the Pension Purchasing Power Protection Insurance Plan .... for introduction on 1 April 1991, unless the United Nations General Assembly implements measures providing comparable protection". The ILO Governing Body has agreed on the introduction of a voluntary plan, and made available a starting capital of $8.5 million. The Director-General of FAO has received approval from the FAO Council to prepare cost estimates for a supplementary pension plan for submission to the FAO Conference to take place in November.

14. The only solution which would be acceptable to the members of FICSA is one which would guarantee Professional staff members retiring in high-cost countries and opting for local currency pensions, the income replacement ratio available to Professionals retiring in the United States. Failure by the General Assembly to arrive at a satisfactory solution will have very serious repercussions on Professional staff who will voice their protest in the strongest possible terms.

15. Unlike their colleagues in the Professional category, staff in the General Service category have been largely protected from threats to their pensions. While not over generous, GS pensions have been relatively free from incertitudes and have fulfilled the basic criteria of a pension: security for the future. Contrasts have been drawn between GS and Professional pensions, and much has been made of the overlap which exists as a result of fluctuating Professional pensions. It is typical of - and perhaps unique to - the United Nations that where one system is working and another floundering, it is not the one that is floundering which is adjusted to the one that is working, but the contrary. This is precisely the case of GS pensions, where an attempt is being made to cut pensions through a reduction in staff assessment and hence pensionable remuneration. There is little justification for such a move, unless it is to ensure that there should be uniformity of suffering for future retirees, regardless of category. For staff in the GS category, the predictability of pensions compensates for limited career prospects and earning capacity, and lack of access to the various allowances (education grant, home leave, repatriation grant etc) available to Professional colleagues. If the General Assembly decides to reduce the staff assessment of GS staff, it will once again be showing an inhuman disregard for the well-being of staff of the United Nations system. While it is true that some GS staff members do retire at the top of the scale, a large majority, particularly those employed in a secretarial capacity, receive relatively modest pensions, and any reduction would place an additional strain on retirees. The international civil service will not stand quietly by and watch the pensions of those at the lower end of the salary scale come under attack.

Politicization of UNIDO

16. Those who had their doubts after reading the staff's statement to the seventh session of the Board (IDB.7/38) that there was any room for UNIDO to become more political, will be surprised to hear that the picture this year is if anything slightly worse, despite improvements in some areas. As far as the Staff Council is aware, no staff member in the Secretariat is forced to contribute a part of his or her salary to the home country, so that any discrimination against staff of certain nationalities in terms of salaries has been erased. The same States which imposed salary deductions have started to relax control over their nationals, enabling them to participate more fully and on an equal footing with other staff members in the life of the Organization. These developments are very gratifying, and have been beneficial not only to the staff members concerned, but have also served to enrich the cultural mix of the Organization.

17. On the issue of secondment, however, which represented the thrust of the staff's statement to the Board last year, mixed signals have been received. Initially it appeared that those Member States which automatically considered all their nationals on secondment, whether or not they had previously been employed by the Government, were willing to relax this requirement. Staff members concerned were optimistic that they would have the choice of being on secondment, or arranging their contracts on a one-to-one basis with UNIDO. This indeed proved to be case for staff on non-geographical posts in the language sections. At last, recommendations for contract extensions could be made by supervisors on the basis of professional competence and performance. Unfortunately, the policy for extension of the contracts of staff on geographical posts continues to extend beyond the criteria of good performance, and the involvement of Member States is still very apparent. In the interests of integrity and equity, the staff of UNIDO strongly urges all Member States not to impose external restrictions on the contract extensions of their nationals, so that the universal criteria of good performance and availability of posts can be applied regardless of nationality.

18. Another internal area where political pressure from Member States has been obvious to the staff as a whole is in the promotion register. Staff have the impression that many promotions are either "bought" or at best negotiated by Member States. This not only creates a considerable amount of bitterness and resentment among staff, but is actually a grave injustice to those staff promoted as a result of such interference. It is in fact denigrating their own value as competent staff members who would, sooner or later, merit promotion in their own right. Similarly, reassignments to senior posts (thus opening the door for promotion) and superannuations are often politically inspired. The result is that some senior managers are

appointed because of their passports, rather than their suitability as managers. The trickle-down effect is dramatic.

19. Although the mechanism exists for the fair review of appointments and promotions, it is a simple matter to reduce such bodies to the role of a rubber stamp by a careful filtering of information submitted to them and a biased presentation of individual cases. Left to their own devices, it is highly likely that the Division of Personnel Services, in conjunction with the appointment and promotion bodies, would select the most appropriate candidate for a particular post, or the most deserving cases for promotion. Their hands are, however, tied. Staff involved in such bodies are often left with a bitter taste in their mouths and the impression that they have been fooled lingers long after their term of office has expired.

Status of women in the Secretariat

20. In some ways, the less said about this subject the better. Indeed, there can be few topics which could parallel the discrepancy between the amount of discussions, recommendations and resolutions, and concrete results. Suffice it to say that without a genuine commitment from senior management and Member States, women will never be allowed to play a meaningful role in UNIDO.

Staff/Management relations

21. As long as the Staff Council restricts itself to discussing the price of food in the cafeteria, or the selection of official holidays, staff/management relations in UNIDO run smoothly. However, as soon as the Staff Council, in pursuit of justice and equity, risks upsetting the delicate balance of political power within the Organization, there are serious problems. In a number of areas, the Administration pays lip service to Staff Regulation 5.1, which calls for staff involvement in all issues relating to staff welfare, conditions of work and matters of personnel policy. The requisite joint bodies are formed - but denied the power of independent decision. In other cases their work is guided by the Division of Personnel Services, acting in the name of the Director-General. Until recently, for example, and despite an obvious conflict of interests, the Secretary of the Joint Disciplinary Committee and the Joint Appeals Board was a senior member of the Division of Personnel Services, the very division which acts as prosecution in the case of the Joint Disciplinary Committee, and as defence in the case of the Joint Appeals Board. This is one of many anomolies of deep concern to the Staff Council.

22. Another hiccup in staff/management relations occurred when Management decided unilaterally to reverse a practice accepted by the common system whereby the President of the Staff Union of organizations with more than 1,000 staff members has a right to full-time release. The role of the President encompasses that of counsellor, ombudsman, staff representative on staff/management bodies as well as Chairman of the Staff Council. To condense this into a part-time job would seriously undermine the effectiveness with which any one of these tasks could be accomplished. A long-term solution to the problem would be the identification of a specific post in the budget. In the meantime, the past practice should be resumed.

Language and Documentation staff

23. Staff members of the Languages and Documentation Division of UNIDO have for five years been in an anomalous extra-legal situation because of the failure of UNIDO and the United Nations to reach agreement on a permanent conference servicing arrangement in Vienna. Since they hold United Nations contracts, they are presumably United Nations staff members. However, they are being administered by UNIDO, under the UNIDO staff rules. They have never been seconded, and so their legal status is unclear.

24. Although administrative services are provided by UNIDO, the recruitment and promotion of Professionals are said to be taking place under the United Nations vacancy management scheme, which does not easily integrate with UNIDO's arrangements, and the joint mechanism is not functioning efficiently. This has meant that a number of Professionals have been hampered in their career development both through delays in their promotion and the withholding of permanent contracts.

25. A large number of General Service staff members have been serving for years against temporary assistance because neither Organization is willing to establish posts under the current provisional arrangements. In addition, many GS staff members, although they hold United Nations contracts, cannot aspire to the permanent status for which they would have been considered, had they been working in the United Nations, instead of "serving" with UNIDO, which does not award permanent contracts.

26. A further example of the overall problem concerns the Reference and Terminology Unit. Staff in the Reference and Terminology Unit are suffering a serious health hazard as a result of the reluctance of either Organization to take responsibility for the installation of mechanically mobile shelving units until such time as a decision is taken on the future of Conference Services. In the meantime, the all-female team of reference clerks is required to shift shelving units of up to 800 kg throughout the day (and often at night), with the added risk of files falling on their heads because of the instability of the existing units.

27. If the extra-legal situation that has arisen as a result of the inability of both Organizations to negotiate a viable settlement were allowed to continue, the staff would be deprived of the channels of legal redress provided for under the Staff Rules of both Organizations. This is clearly totally unacceptable.

28. The staff of the Languages and Documentation Division is not willing to be a victim of the current conflict between the two Organizations, and is also unwilling to contemplate a further delay in the regularization of its legal and contractual status. The staff of the Languages and Documentation Division would appreciate it if the Board would review its anomolous situation in its deliberations and take all possible steps to ensure that this situation is not allowed to continue.

Restructuring of UNIDO

29. While there has been some staff consultation both at the departmental level and at the level of the Staff Council on the restructuring of UNIDO, it is regretted that there has been less involvement in the actual development of the new

structure than initially foreseen. As was stated last year, there is considerable support among the staff for the objectives which lie behind the current restructuring exercise, although this is tinged with scepticism as to whether the latest proposals contained in document IDB.8/45 will in fact meet those objectives.

30. The staff would like to stress once again one potentially dangerous weakness of the restructuring exercise. However well considered the structural changes ultimately agreed upon may be, the whole undertaking will founder unless the career development aspect of the exercise is fully taken into account. Staff will be called upon to step into new slots and continue operating at a high level without missing a beat. Indeed, they will have to continue functioning not only in terms of PAD value produced, but above all in terms of quality. If, as is sincerely hoped, the restructuring is to focus on quality, then a well designed training plan both for Professional and General Service staff will have to be devised and adequate budgetary allowance set aside for its implementation. The staff is not aware that this has yet been envisaged. Present resources are clearly inadequate for the purpose. Only a career development plan as well as adequate training can ensure the focus on excellence and merit that the staff, the Management and the Member States all have a stake in achieving. Unless such a plan is put in place at the outset of the restructuring exercise, the repercussions on the effectiveness and morale of the staff will be dire. Naturally such a plan should be drawn up in close consultation with the staff members concerned.

31. It has been repeated on several occasions that the new structure will, inter alia, create a team approach through the establishment of compact and thematically integrated units. So far there has been no indication of staff requirements, particularly of the proposed compact and thematically integrated units and their internal structure which should increase efficiency and further career development. Moreover, there is no certainty that this approach will work in practice, nor what the cost will be to the Organization in trying to establish such working arrangements at a time when UNIDO will be facing the problems resulting from the UNDP successor arrangements. The new arrangements will call for a simpler structure than the one in existence when UNIDO's main source of finance was UNDP. This implies that the Organization should strive for a substantive focus in its activities with fewer coordinating and more substantive units with an industry focus. The proposed organizational chart does not reflect sufficiently the industry orientation which should be the prime focus of UNIDO and should in fact be enhanced by the restructuring exercise.

32. It has been further stated that the proposed restructuring will create flat structures which are easier to manage and can more efficiently coordinate activities. Coordination will be secured by five layers, although this does not provide convincing evidence that there will be an improvement over the present situation. Indeed, the latest indications are that top heaviness which, in the opinion of the staff, was one of the prime reasons for the restructuring of the Organization, will remain in one form or another for purely political reasons and thus make a mockery of restructuring arguments. Similarly, it should be made clear how the proposed flat structure will be made conducive to coordination and co-operation between the main actors involved in programme/project identification, formulation, promotion and implementation, namely Industrial Policies and Programmes, Industrial Cooperation and Resource Mobilization, and Industrial Operations. It is not evident how the problem of duplication, which hampers a programme-oriented approach, has been resolved in the new structure.

33. Finally, the staff would like to reiterate a concern contained in the staff's statement to the seventh session of the Board that restructuring has, in the past, tended to disregard the human dimension. There was little, if any, involvement of the staff in the development of the new manning table, which was often perceived as paying lip service to the wishes of Member States as well as providing appropriate slots for the most senior staff already on board. The present exercise will need to be conducted with great care and caution if it is to dispel past perceptions. The Staff Council would welcome the opportunity to participate in the open-ended Working Group on a new structure for UNIDO, and provide more specific comments on questions of substance.